

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: CS/CS/SB 1516

State-owned Lands

SPONSOR(S): Policy and Steering Committee on Ways and Means, General Government Appropriations, and Baker

TIED BILLS:

IDEN./SIM. BILLS: HB 7169

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) General Government Appropriations	5 Y, 0 N As CS	Piggott	DeLoach
2) Policy and Steering Committee on Ways and Means	22 Y, 0 N As CS	Piggott	Coburn
3) House Vote on Final Passage	117 Y, 0 N		
4) _____	_____	_____	_____
5) _____	_____	_____	_____

SUMMARY ANALYSIS

During the 2009 Regular Session, the Legislature directed the Department of Management Services (DMS) to create, administer, and maintain a comprehensive database of all state-owned real property and directed DMS to create a plan to compile any necessary information. In February 2010, DMS recommended leveraging an existing database at the Department of Environmental Protection (DEP), the Land Information Tracking System, because it is in the planning stages and presents the best option for creating a comprehensive database of all state-owned real property.

The bill directs the DEP to create, administer, and maintain a comprehensive system (including a database) for all state lands and real property leased, owned, rented, occupied, or managed by the state, the judicial branch, or any water management district. The bill directs DEP to submit an updated feasibility study for the Lands Inventory Tracking System, to include in its scope the comprehensive state-owned system, by November 1, 2010.

The bill requires DEP to implement a project governance structure with an executive steering committee comprised of seven members. The executive steering committee has the overall management responsibility for ensuring that the comprehensive system meets the business objectives.

The bill requires DEP to submit to the Governor and Legislature a list of state-owned real property recommended for disposition, including a report from DMS of surplus buildings recommended for disposition, by October 1, 2010 and annually thereafter. It also requires that, prior to disposition, a state-owned building or parcel of land be offered for lease to state agencies, state universities, and community colleges.

The bill appropriates \$320,000 in spending authority to DEP from the Internal Improvement Trust Fund in the Land Administration budget entity for the creation of the comprehensive state-owned real property database.

HOUSE PRINCIPLES

Members are encouraged to evaluate proposed legislation in light of the following guiding principles of the House of Representatives

- Balance the state budget.
- Create a legal and regulatory environment that fosters economic growth and job creation.
- Lower the tax burden on families and businesses.
- Reverse or restrain the growth of government.
- Promote public safety.
- Promote educational accountability, excellence, and choice.
- Foster respect for the family and for innocent human life.
- Protect Florida's natural beauty.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Present Situation

Chapter 2009-77, L.O.F., required the Department of Management Services (DMS) to create, administer, and maintain a comprehensive database of all state-owned real property. To facilitate the creation of the database, the legislation directed DMS to prepare a plan to compile the database that provides a method for:

- Requiring that specific information is provided for each state-owned property in order to determine appropriate valuation.
- Maintaining and updating the database.
- Identifying and assessing the properties for potential disposition.
- Requiring that DMS be notified of identified properties for purposes of conducting a strategic valuation and disposition analysis.¹

On January 4, 2010, DMS submitted the statutorily-required plan, which provided the following findings:²

- Multiple real property data sources have disparate data and currently are not integrated because existing data sources were not designed to reconcile.³ The majority of these data sources are located at the Department of Environmental Protection (DEP).
- State agencies have operational responsibility for facilities they own, which means property information is scattered among state agencies.

¹ Section 5, chapter 2009-77, L.O.F.

² *Senate Bill 1804: Final Report to the Legislature, Plan for a Comprehensive Database of State-owned Real Property*, Division of Real Estate Development and Management in DMS (January 4, 2010) at 3 and 4.

³ These data sources include:

- DEP Public Lands Inventory – a database of all public lands containing more than 67,000 state-owned parcels.
- DEP Florida Statewide Public Lands Inventory – a database of all public lands captured directly from county property appraisers and segregated by county.
- DEP Board of Trustees Land Document System – a listing of state-owned lands owned by the Board of Trustees.
- DEP Lands Information Tracking System (LITS) – currently under development, a database that will contain funding, data, and mapping information related to lands acquired from Florida Preservation 2000 or Florida Forever.
- Department of Revenue Tax Rolls – an inventory of all private and public lands provided by county property appraisers to ensure counties meet minimum assessment standards.
- DMS State Facilities Inventory – includes condition information on more than 3,800 state-owned buildings.
- Department of Financial Services Risk Management Database – includes more than 20,000 state-owned buildings and structures for insurance assessments.

- The physical characteristics of improved real property from 67 county property appraisers, the source for some of the state's real property databases, are inconsistent between the counties and may not properly reflect the current size and condition of improvements.

The plan also acknowledged the need for the development and implementation of a comprehensive database for state-owned real property and identified three options for providing the database.

On February 1, 2010, DMS submitted an addendum to its plan that recommended leveraging an existing database at DEP, the Land Information Tracking System (LITS), because it is in the planning stages and "presents the best chance for success and best value."⁴ According to the addendum, the LITS database could be fully implemented within nine months of starting work,⁵ could allow DEP to retire two current systems,⁶ and could result in the retirement of the DMS State Facilities Inventory system.⁷

Effect of the Bill

The bill requires DEP to create, administer, and maintain a comprehensive system for all state lands and real property leased, owned, rented, and otherwise occupied or maintained by any state agency, the judicial branch, and any water management district. The database must allow the Board of Trustees of the Internal Improvement Trust Fund to perform its statutory responsibilities. Also, it must allow the Division of State Lands in DEP to conduct strategic analyses and prepare annual valuation and disposition analyses and recommendations for all state real property assets.

Such system must contain a database that includes an accurate inventory of all real property that is leased, owned, rented, occupied, or managed by the state, the judicial branch, or any water management district. The bill designates the Division of State Lands as the statewide custodian of the real property information and holds the division accountable for the accuracy of such information. All state agencies and water management districts must enter required real property information into the comprehensive system according to standards published by the Division of State Lands.

The comprehensive state-owned real property system must:

- Eliminate the need for redundant state real property information collection processes and state agency information systems.
- Reduce the need to lease or acquire additional real property as a result of an annual surplus valuation, utilization, and disposition analysis.
- Enable regional planning as a tool for cost-effective buy, sell, and lease decisions.
- Increase state revenues and maximize operational efficiencies by annually identifying those state-owned real properties that are candidates for surplus or disposition.
- Ensure all state real property is identified by collaborating and integrating with the Department of Revenue data as submitted by the county property appraisers.
- Implement required functionality and processes for state agencies to electronically submit all applicable real property information using a web browser application.

The bill requires DEP to submit to the Governor and Legislature a list of state-owned real property recommended for disposition, including a report from DMS of surplus buildings recommended for disposition, by October 1, 2010 and annually thereafter.

DEP must implement the project governance structure until the comprehensive system is successfully completed, suspended, or terminated. The bill designates the secretary of DEP, or an appointed designee, as the project sponsor.

⁴ *Senate Bill 1804: Addendum to Final Report to the Legislature, Plan for a Comprehensive Database of State-owned Real Property*, Division of Real Estate Development and Management in DMS (February 1, 2010) at 5.

⁵ *Id.* at 9.

⁶ The Public Lands Inventory database and the Florida Statewide Public Lands Inventory database.

⁷ *Senate Bill 1804: Addendum to Final Report to the Legislature, Plan for a Comprehensive Database of State-owned Real Property*, Division of Real Estate Development and Management in DMS (February 1, 2010) at 6.

The bill requires the project to be governed by an executive steering committee composed of seven members.⁸ It has the overall management responsibility for ensuring that the comprehensive system meets the business objectives. Specifically, the executive steering committee is responsible for

- Providing management direction and support to the project management team.
- Reviewing, approving, or disapproving project deliverables and any changes to the project's scope, schedule, or costs.
- Preparing an update to the feasibility study for the Lands Inventory Tracking System.
- Identifying and recommending to the Governor and chairs of the House and Senate appropriations council/committee any fiscal and substantive policy changes needed to implement and maintain the comprehensive system as documented in the feasibility study.

The bill also requires the establishment of a project management team⁹ no later than 30 days after the act becomes law. The project management team will work under the direction of the executive steering committee. A memorandum of agreement between DEP, DMS, the Department of Revenue, and the Department of Financial Services may be executed to clearly define the roles and responsibilities of the project management team. The project management team is responsible for:

- Providing daily planning, management, and implementation resources and capabilities for the project.
- Developing an operational work plan for the project and providing to the executive steering committee proposed updates to the work plan whenever necessary.
- Submitting written monthly project status reports to the executive steering committee.
- Preparing the required feasibility study under the direction of the executive steering committee.
- Preparing project work plans and project status reports.

The bill further establishes implementation timeframes and initial deliverables:

- By November 1, 2010, DEP must submit an updated feasibility study to the Governor and the Legislature for the Lands Inventory Tracking System. The study must include in its scope the comprehensive state-owned real property system.
- By February 1, 2011, the executive steering committee must complete a business process analysis of the detailed system requirements and the overall system architecture, and submit the analysis to the Governor and the Legislature.
- By March 1, 2011, the facility inventory components of the system must be fully operational.
- By September 1, 2012, the remaining real property and land inventory components of the system must be fully operational.
- State agencies must retire any real property databases or systems that duplicate the comprehensive system within 12 months of the comprehensive system becoming operational, unless such systems are specifically required by law.

The bill maintains the current requirement for DMS to maintain an inventory of all facilities owned, leased, rented, or otherwise occupied or maintained by any state agency and the judicial branch. It adds a requirement that this inventory also include facilities of water management districts. By July 1 of each year, inventory data must be provided to DMS by each owning or operating agency. The bill authorizes DMS to adopt rules to implement these provisions by March 15, 2011.

By September 30 of each year, the Department of Revenue must furnish electronically the annual current tax roll data for public lands to the Board of Trustees (board) of the Internal Improvement Trust Fund, to be used in compiling the inventory of publicly held lands. The bill requires the board to use the

⁸ The executive steering committee is composed of the following voting members or their designees: the secretary of DEP, who serves as chair; the executive director or secretary of DMS; the executive director of the Department of Revenue; the Chief Financial Officer; a property appraiser appointed by the Florida Association of Property Appraisers, Inc.; a property appraiser appointed by the Property Appraisers' Association of Florida, Inc.; and the executive director of the Agency for Enterprise Information Technology.

⁹ The project management team must be headed by a full-time project manager and consist of senior managers and personnel appointed by members of the executive steering committee.

tax roll data from the Department of Revenue to assist in the identification and confirmation of publicly held lands.¹⁰

The bill authorizes the Department of Revenue to share confidential tax roll data with DEP to assist in the identification and confirmation of publicly-held lands.

Any lands held by the state, a state agency, or a water management district that are not deemed essential or necessary for conservation purposes must be considered for review for surplus sale. Also, the Department of Transportation must identify and dispose of surplus property.

Prior to surplus, the bill requires that, in addition to state agencies and universities, community colleges be offered a state-owned building or parcel of land for lease before it is offered for lease, sublease, or sale to a local or federal unit of government or private party. Priority consideration is given to state universities and community colleges, with the exception of the G. Pierce Wood facility. The board must transfer all lease interests in lands on which the G. Pierce Wood Hospital is located to the University of South Florida Polytechnic. The bill requires a state university or community college to submit a plan for review and approval by the board regarding the intended use of the building or parcel of land before approval of a lease.

The bill requires a property appraiser to physically inspect state-owned real property upon request of the taxpayer or owner.

The bill eliminates the requirement for DEP to maintain two current databases, the Public Lands Inventory and the Florida Statewide Public Lands Inventory, which contain information that will be available in the comprehensive database.

Finally, the bill appropriates \$320,000 in spending authority to DEP from the Internal Improvement Trust Fund in the Land Administration budget entity for the creation of the comprehensive state-owned real property database.

B. SECTION DIRECTORY:

Section 1 amends s. 193.023, F.S., to require the property appraiser to physically inspect any parcel of state-owned real property upon the request of the taxpayer or owner.

Section 2 amends s. 193.085, F.S., to remove provisions requiring the Department of Revenue to notify property appraisers of state ownership of real property and to require local governments to notify property appraisers of lands owned by the local government.

Section 3 amends s. 213.053, F.S., to authorize the Department of Revenue to share confidential information with DEP.

Section 4 amends s. 216.0152, F.S., to require DMS to maintain an automated inventory of facility data; to require the data to be provided annually to DMS by a time certain; to require the Department of Transportation to identify and dispose of surplus property; to require DMS to adopt rules; and to direct DMS to update its inventory with certain information concerning the condition of facilities.

Section 5 creates s. 216.0153, F.S., to direct DEP to create and maintain a comprehensive state-owned real property system.

¹⁰ By November 30 of each year, the board must provide to each state agency, local government, or other public entity which holds title to real property, a list of the real property owned by such entity. By January 31 of the following year, such entity must review the list and inform the appropriate property appraiser and the board of any corrections to the list. The appropriate county property appraiser must enter the corrections on the appropriate county tax roll. The bill removes this responsibility from the Department of Revenue.

Section 6 amends s. 253.03, F.S., to require the Department of Revenue to electronically furnish annual current tax roll data for public lands to the Board of Trustees of the Internal Improvement Trust Fund.

Section 7 amends s. 253.034, F.S., to eliminate duplicative databases and to provide for priority consideration of certain properties.

Section 8 creates an unnumbered section of law to provide timelines for implementation of the comprehensive state-owned real property system and to create an executive steering committee to govern the project.

Section 9 provides an appropriation.

Section 10 provides an effective date of upon becoming a law.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

After the comprehensive database is realized, DEP estimates it will save approximately \$100,000 annually through the elimination of redundant databases. Additional future revenues could be realized through surplus sales.¹¹

2. Expenditures:

DEP and DMS plan to share in costs associated with design and development of the comprehensive database through current fiscal resources. The total estimated cost to consolidate systems is estimated at \$643,500.¹²

The bill appropriates \$320,000 in spending authority to DEP from the Internal Improvement Trust Fund in the Land Administration budget entity for the creation of the comprehensive state-owned real property database.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

There may be minimal administrative costs associated with a new annual requirement for local governments to provide annual property information to local property appraisers. In addition, property appraisers may see an increase in workload due to changes in this bill that require a physical inspection of state-owned property at the request of the taxpayer or owner.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

None.

¹¹ *Senate Bill 1804: Addendum to Final Report to the Legislature, Plan for a Comprehensive Database of State-owned Real Property*, Division of Real Estate Development and Management in DMS (February 1, 2010) at 10.

¹² *Id.*

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

The mandate provision appears to apply because the bill requires counties or municipalities to take an action requiring the expenditure of funds; however, an exemption applies because the mandate would have an insignificant fiscal impact.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

The bill authorizes DMS to adopt rules by March 15, 2011, for the purpose of implementing provisions related to its inventory of all facilities owned, leased, rented, or otherwise occupied or maintained by any state agency, the judicial branch, or any water management district. DMS may adopt rules that prescribe the format for each agency to submit inventory data to DMS in addition to the categories of inventory data requested.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/COUNCIL OR COMMITTEE SUBSTITUTE CHANGES